



## **S2Medical implements a strategic change to reach profitability faster**

In order to reach profitability faster, the company has chosen to implement a strategic change which means that all available resources will be used to achieve increased growth. The company will therefore pause all activities related to R&D and clinical studies. The company's technology for dealing with multi-resistant bacteria will not be affected by this reorganization as that work takes place under external management with the company's university partners and is funded by previously awarded research grants.

A consequence of the change is that the overall workforce will decrease and that the company will focus solely on increasing turnover through the sale of existing products. As a result of this, there will be a reduced need for administration, which means that the company, in agreement with the company's CFO, has chosen to terminate her employment. Going forward, the company's COO, Mårten Skog, will be responsible for the financial reporting with support from an external consultant. Since the company's listing, Mårten has been responsible for coordinating the financial reporting and thus has the experience required to ensure quality and continuity in the financial work.

Initially, the reorganization will result in a reduced burn rate and make available resources that can be allocated to expanding sales, in order to achieve positive cash flow for the business as soon as possible. Parts of the streamlining include rental agreements and the like, meaning that the effects will be realized gradually during the current year.

"We have several fantastic technologies in our portfolio, but the company's skin substitute Epiprotect has already become standard treatment at many centers for hard-to-heal wounds and burns globally. Epiprotect already has all the clinical data required, is very close to breaking through in several different markets and has the potential to create good profitability itself. We have therefore decided to invest all available funds in achieving profitability with Epiprotect before we grow further with the rest of the portfolio. By reducing other overheads, we have found a good way forward that will allow us to focus on creating a profitable company as quickly as possible, which is a prerequisite for us to be able to help the multitudes of patients suffering from hard-to-heal wounds and burns. " says the company's CEO Petter Sivlér.

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### **About S2Medical**

S2Medical AB (publ) is a medical technology company that develops and sells innovative wound healing products for the entire wound healing process, with a focus on burns and chronic wounds. The company has developed eiratex®, a new cellulose-based material for healing severe burns and chronic wounds. The material heals wounds effectively and thereby reduces both suffering for patients and costs for health care.

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